

Message Text

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ACTION OPIC-06

INFO OCT-01 NEA-10 ISO-00 EB-08 COME-00 TRSE-00 CIAE-00

INR-07 NSAE-00 OMB-01 /033 W

-----100644Z 092161 /15

R 091145Z MAR 77

FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC 6062

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E.O. 11652: N/A

TAGS: EINV, AG

SUBJECT: OPIC INSURANCE

REF: (A) 76 ALGIERS 2464, (B) 76 STATE 237004

1. WE HAVE STUDIED OPIC BROCHURES AND HAVE DISCUSSED
PROGRAM FOR BANK LETTERS OF CREDIT WITH A FEW U.S.
FIRMS OPERATING HERE.

2. U.S. BUSINESSMEN BELIEVE THAT SOME FIRMS MIGHT BE
INTERESTED IN PROGRAM OF INSURANCE FOR BANK LETTERS OF
CREDIT. WE HAVE NOT DISCUSSED WITH GOA BUT ARE SKEPTICAL
ABOUT CHANCES FOR SYMPATHETIC HEARING. GOA COMPLETELY
NEGATIVE ON U.S. PROPOSAL FOR INTERNATIONAL RESOURCES
BANK AND OPIC'S EMPHASIS ON PROTECTION OF PRIVATE INVESTMENT
(AS EXEMPLIFIED BY OPIC'S VERY TITLE) IS LIKELY TO PRODUCE
SIMILAR REACTION EVEN TO LIMITED PROGRAM OF INSURANCE FOR
BANK LETTERS OF CREDIT.

3. WE DO NOT COMPLETELY EXCLUDE POSSIBILITY OF GOA
INTEREST, BUT WE WANT TO BE SURE WE UNDERSTAND IMPLICATIONS
BEFORE CONSIDERING APPROACH TO GOA. WE
UNDERSTAND THAT LETTER OF CREDIT INSURANCE IS AVAILABLE
ONLY IF OPIC INSURES THE UNDERLYING CONSTRUCTION
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CONTRACT AND THAT THIS IN TURN REQUIRES AN OPIC/GOA
AGREEMENT. WE DO NOT HAVE COPY OF TYPICAL OPIC
AGREEMENT, BUT IT OUR UNDERSTANDING THAT HOST
GOVERNMENT ESSENTIALLY GUARANTEES AGAINST
EXPROPRIATION OR OTHER CONFISCATION WITHOUT ADEQUATE
COMPENSATION. WE FURTHER UNDERSTAND THAT AGREEMENT
CONTAINS STRINGENT BINDING ARBITRATION CLAUSE. WE

SURE THAT GOA WOULD FIND THESE CLAUSES UNWARRANTED
INFRINGEMENTS UPON NATIONAL SOVEREIGNTY.

4. IF OUR UNDERSTANDING CORRECT THAT OPIC/GOA AGREEMENT
NECESSARY, PERHAPS NEXT STEP SHOULD BE FOR OPIC
SEND EMBASSY COPY OF TYPICAL OPIC AGREEMENT SO THAT
WE MIGHT STUDY IT IN ORDER TO JUDGE WHETHER APPROACH TO
GOA OFFERS EVEN A SMALL CHANCE OF SUCCESS.LYNE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN INVESTMENT, INSURANCE
Control Number: n/a
Copy: SINGLE
Sent Date: 09-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977ALGIER00616
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770082-0110
Format: TEL
From: ALGIERS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770380/aaaacrye.tel
Line Count: 70
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 227a5ebb-c288-dd11-92da-001cc4696bcc
Office: ACTION OPIC
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 ALGIERS 2464, 76 STATE 237004
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 16-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3170313
Secure: OPEN
Status: NATIVE
Subject: OPIC INSURANCE
TAGS: EINV, AG
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/227a5ebb-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
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